



CITY OF IOWA CITY COUNCIL ACTION REPORT

August 6, 2024

An ordinance repealing Ordinance Nos. 99-3879 and 05-4150 providing for the division of taxes levied on taxable property in the Northgate Corporate Park Urban Renewal Area, in the City of Iowa City, Iowa, pursuant to section 403.19 of the Code Of Iowa (Termination of the Northgate Corporate Park Urban Renewal Area). (Second Consideration)

Prepared By: Rachel Kilburg Varley, Economic Development Coordinator
Reviewed By: Geoff Fruin, City Manager
Fiscal Impact: n/a
Staff Recommendation: Approval
Commission Recommendations: n/a
Attachments: [Clerk's Certificate](#)
[County Auditor's Certificate](#)
[Ordinance](#)

Executive Summary:

In 1999, Ord. 99-3879 established the Northgate Corporate Park TIF District within the Northgate Corporate Park Urban Renewal Area (URA), designated as a Commercial & Industrial Economic Development Area. The TIF District was amended in 2005 to change the District boundaries under Ord. 05-4150. Under Iowa law, TIF districts that are designated on the basis of Commercial/Industrial Economic Development "sunset," or expire, 20 years from the calendar year after the first certification of debt. Since debt was first certified on the area in 2002, the Northgate Corporate Park TIF District expired in 2023. As such, all previously certified debt for prior urban renewal projects within the Northgate Corporate Park URA has been reimbursed through the TIF process and the City is no longer collecting TIF revenues from within the URA. The City's bond counsel recommends that expired TIF Districts be terminated formally through Ordinance and, if there is no further need for the URA, that a resolution be adopted ending the Urban Renewal Area (URA) and Urban Renewal Plan (URP). A separate resolution will be provided for consideration to terminate the URA and URP at the same meeting date of the final reading of this Ordinance.

Background / Analysis:

Under Iowa law, Urban Renewal Areas (URA) and Tax Increment Financing Districts (TIF District) work together as a tool to revitalize slum and blighted areas and spur economic development. URAs designate an area for urban renewal projects to be conducted and the TIF District provides the taxation and financing mechanism to help carry out such projects. URAs are created by the adoption of an Urban Renewal Plan (URP) by resolution. TIF Districts must be located within an established URA and are created by Ordinance. URPs designate the URA on the basis of Blight/Slum Remediation or Economic Development. Statutory sunset, or expiration, dates are applied based upon the type of designation. Areas

designated for Commercial and Industrial Economic Development sunset 20 years from the calendar year after the first certification of debt.

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The City's bond counsel recommends that expired TIF Districts be terminated formally through Ordinance and, if there is no further need for the URA, that a resolution be adopted ending the Urban Renewal Area (URA) and Urban Renewal Plan (URP). A separate resolution will be provided for Council consideration to terminate the URA and URP at the same meeting date of the final reading of this Ordinance. In the future, if the City identifies another urban renewal project it wishes to assist or undertake in the area, a new URA, URP, and TIF District may be established.